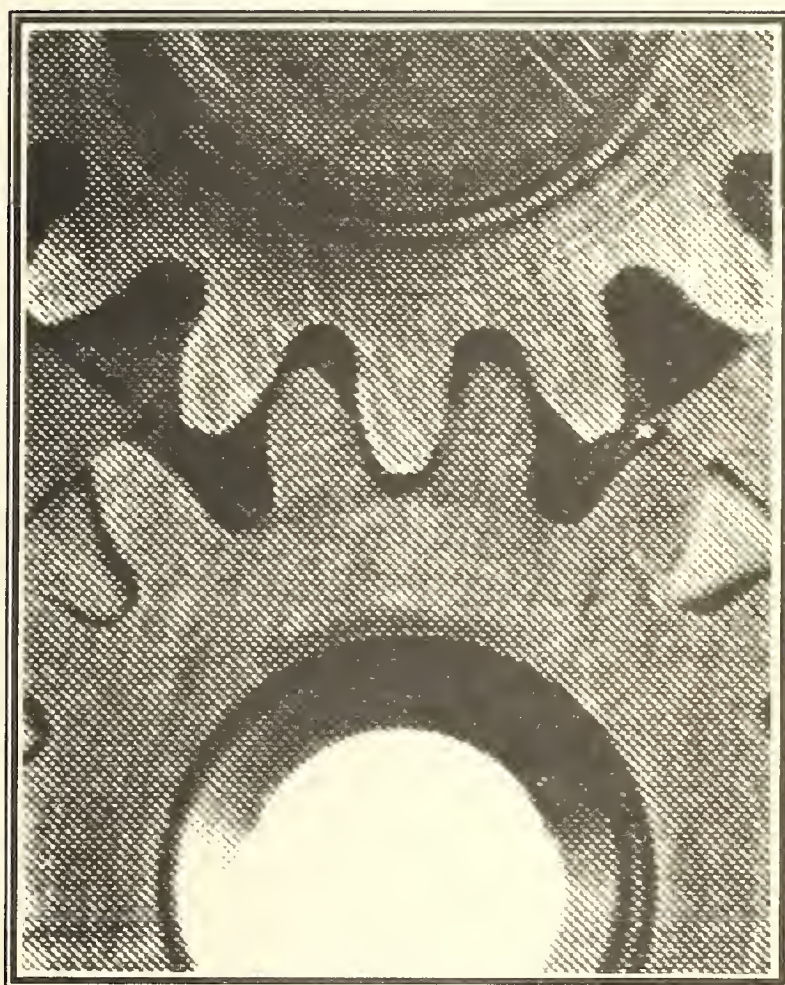


**REPORT OF  
THE FEDERAL LIBERAL TASK FORCE  
ON  
DE-INDUSTRIALIZATION  
AND  
ECONOMIC RENEWAL  
(ONTARIO)**



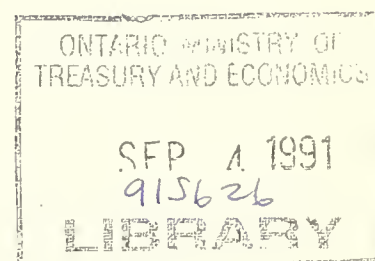
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**CHAired BY:  
JIM PETERSON, M.P.  
LIBERAL INDUSTRY CRITIC**

**JULY 1991**



**REPORT OF THE  
FEDERAL LIBERAL TASK FORCE  
ON  
DE-INDUSTRIALIZATION  
AND  
ECONOMIC RENEWAL  
(ONTARIO)**



**CHAIR**

**JIM PETERSON, M.P., WILLOWDALE  
INDUSTRY CRITIC**

**VICE-CHAIRS**

**GILBERT PARENT, M.P., WELLAND - ST. CATHARINES - THOROLD  
ASSOCIATE INDUSTRY CRITIC**

**JERRY PICKARD, M.P., ESSEX - KENT  
ASSOCIATE INDUSTRY CRITIC**

**JULY 1991**

cover by: David Craib

## LIBERAL TASK FORCE MEMBERS

Jim Peterson, M.P., Chair, Industry Critic

Gilbert Parent, M.P., Vice-Chair, Associate Industry Critic

Jerry Pickard, M.P., Vice-Chair, Associate Industry Critic

Eugene Bellemare, M.P.

Don Boudria, M.P.

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Marlene Catterall, M.P.

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Rex Crawford, M.P.

Hon. Ralph Ferguson, M.P.

Joe Fontana, M.P.

Maurice Foster, M.P.

Beryl Gaffney, M.P.

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Sergio Marchi, M.P.

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Sen. Jerry Grafstein

Sen. Richard Stanbury

Sarkis Assadourian, Toronto

John English, Kitchener

Paul Kellam, Stratford

Gar Knudson, St. Thomas

Karen Kraft-Sloan, Bradford

Roger LeBlanc, Bradford

Barry McDougall, Peterborough

Doug Moffatt, Port Perry

Don Nicholson, Aylmer

Paul Pagnuelo, Port Perry

John Richardson, Stratford

Mike Stinson, Waterloo

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## **ACKNOWLEDGEMENTS**

Members of the Liberal Task Force wish to thank the individuals and organizations who testified before us or presented written briefs. All testimony and submissions were studied closely, and even where not singled out for special comment, helped form the basis for our conclusions and recommendations. Their ideas and opinions contributed significantly to the important issue of our economic future, and are much appreciated.

Members wish to thank as well those who helped behind the scenes. These include staff in our Ottawa and constituencies offices who worked with us; Mark Boudreau and Greg Klump from the Liberal Research Bureau; Pierre Paré and Luc Labelle who translated our report; and others.

As Chair of the Liberal Task Force, I thank Members for their efforts and ongoing commitment to implementing our recommendations. I am especially grateful to my staff, who in addition to their other full-time responsibilities, worked long hours with good spirit to organize hearings, review testimony and submissions, and prepare our report. My thanks to Laurèl Craib and Lou Riccoboni, and my special thanks to Lisa Stilborn for her highly dedicated and competent work as Liberal Task Force Co-ordinator. My thanks also to Eddie Goldenberg and others for their good counsel.

Jim Peterson, M.P.

Chair



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## **INTRODUCTION**

The Liberal Task Force on De-Industrialization and Economic Renewal in Ontario was conceived in April of this year as a result of the high unemployment Canada was suffering, particularly in its manufacturing industries.

From January 1st, 1989, through April of this year, Canada had lost 287,000 or 14% of its manufacturing jobs, with 48% of these or 139,000 having been lost in Ontario. Other indicators pointed out that our economy was suffering from more than just the recession. The Ontario Ministry of Labour reported 20,554 permanent job losses, 84% more than during the last recession, not counting the thousands of permanent job losses in firms of fewer than 50 employees for which figures were not available. Bankruptcies were also well above levels of the previous recession. A study released by the Canadian Manufacturers Association showed that Canada's competitiveness was only 85 % of what it had been a decade earlier, and the World Economic Forum confirmed our declining ability to compete globally.

Faced with these facts, the Hon. Jean Chrétien and our National Liberal Caucus considered it critical to investigate not only these manufacturing job losses, but more importantly, to determine what might be done to halt both their loss and our decline in competitiveness. As a result, the mandate of our Liberal Task Force was to investigate and report back on an urgent basis with constructive alternatives and recommendations. We decided to start in Ontario, whose manufacturing sector had been hit hardest. Since the Federal Liberal Task Force on the Northern Ontario Economy had just completed its investigations and its report entitled "Northern Ontario Speaks Out" was due shortly, we decided to concentrate on other regions of Ontario.

From April 25 through June 17th, our Liberal Task Force travelled throughout Eastern and Southern Ontario. Where possible, we tried to visit those affected by job losses in their own communities, often in their closed down plants. We received testimony from 130 individuals and organizations in 22 different municipalities, and met with hundreds more workers and concerned citizens. We held public hearings in Ottawa over two days, during which 21 individuals and provincial and national organizations testified before us and or presented written briefs. The testimony, submissions, and ideas received have helped form our conclusions and recommendations.

A detailed summary of all testimony heard and briefs received entitled "Summary of Submissions on De-Industrialization and Economic Renewal (Ontario)" is available. For a copy or further information, please contact the Office of Jim Peterson, M.P., House of Commons, Room 440 - C Centre Block, Ottawa, Ontario, K1A 0A6, or telephone (613) 992-4964.

## SUMMARY OF TESTIMONY

### 1. Monetary Policy

Almost every witness testified that the government's high interest rate, high dollar policy imposes a competitive disadvantage vis à vis the United States, and makes modernization and new investment difficult.

### 2. High Tax Burden

The combined burden of federal, provincial and municipal taxes was a major concern, especially in attracting new industry to Ontario. Among those mentioned specifically were:

- fuel taxes
- long delays in obtaining GST rebates
- application of the GST and duties to Goods imported into Canada for processing and export
- inability of some small businesses to benefit from consolidated accounting for GST
- capital cost allowances that are not competitive with the U.S. (trucks) or which do not reflect the actual value of manufacturing equipment (computers)
- municipal taxes that are much higher than in the United States and often in other provinces.

### 3. Regulatory Burden

Many witnesses indicated their concern over existing and proposed Ontario regulations involving undue corporate, directors' and officers' responsibilities to workers and the public, saying that Ontario was no longer a competitive jurisdiction.

Several witnesses who agreed with the to protect the environment and promote worker health and safety were nevertheless dismayed that many regulators were all too often misinformed and adversarial, rather than practical and co-operative.

As well, the burden of compliance with regulations was excessive. One ice-cream vendor cited 14 different federal, provincial and municipal remittances he has to make, anywhere from monthly to annually.

#### 4. Education and Training

Many witnesses testified that better education and training in Canada were critical to our economic future. Our schools need more emphasis, for both sexes, on language, science, mathematics and engineering, and skilled trades must be elevated in status.

Our schools should have standard curricula for apprenticeship training and offer standard certificates for trained apprentices. Where schools do not have the most modern equipment, arrangements should be made for training in plants that do. Teachers in such schools should be encouraged to work in plants in order to keep current.

Specialty schools such as the Ontario Government's Fleming Centre for Manufacturing Studies in Peterborough and the National Research Council's Industrial Materials Institute in Boucherville have a major role to play in educating Canadians, and their scope should be extended to include other skilled trades such as, for example, mould making.

Successful industries placed great emphasis on their in-house training programs, including those carried out in co-operation with educational institutions, but felt that public funds should be available to help defray the high costs.



Many unemployed workers and others testified that promised federal support for adjustment to free trade and for retraining displaced workers has not been forthcoming or is wholly inadequate. Skills assessment is often not undertaken, and if retraining courses are recommended, people often wait ten months or more before there are openings. Workers often said: **"Yes, I want to retrain, but for what? There are no jobs of any sort."**

## 5. Trade Policy

Predictably, testimony was both for and against the Canada-U.S. Free Trade Agreement and the proposed North American Free Trade Agreement. On balance, witnesses were sceptical about what benefits Canada has obtained under the FTA. Witnesses did agree, however, that because of the FTA, Canada is competing head-on with the U.S. for new jobs, and in many areas, we are falling short, leading to job losses and de-industrialization. As well, for many Canadian manufacturers controlled by American parents, "rationalization" because of the recession or otherwise often means closing Canadian plants and "calling the children home."

Even among those supporting the FTA, some mentioned that the negotiations under Chapter 19 defining "subsidies" must be completed quickly.

Support was expressed for free trade within Canada, including free mobility of goods, services and workers.

## 6. Financing

A number of witnesses expressed difficulty in obtaining financing, even at high interest rates. Banks were not perceived as anxious to lend to small and medium firms and a great strain was being placed on many of them. One large firm talked about its problems

in competing for large foreign contracts against competitors whose home countries provide highly concessional financing.

#### 7. Plant Closures

Where plant closures have occurred, witnesses talked about the lack of government support, other than unemployment insurance, and often about the inability to stop a closure through lack of notice. One witness testified how, on learning of a pending closure, he was able to mobilize government and community support to prevent it. In one case, some federal funding enabled employees to hire consultants to explore ways to keep the plant open. In the case of another closure, the government committed to funding the Self-Employed Initiative under which the Canada Futures Committee can have unemployment insurance benefits paid out in a lump sum to help start a small business, but has been slow in implementing this effort.

#### 8. Cross-Border Shopping

Many witnesses spoke about the devastating impact on workers and communities of cross-border shopping. Many businesses cannot compete because of our high dollar, high interest rates, high federal and provincial taxes, and the higher cost of many goods in Canada, such as fuel, liquor, tobacco, electronics and even some food. Many felt the cost of gasoline was the primary motivation for much cross-border shopping. Others spoke of Canadian customs officials who did not enforce existing Canadian taxes, and of long waiting lines at the border.



## 9. Miscellaneous Testimony

### a) Role of Municipalities

Faced with severe job losses, municipalities such as Windsor and Hamilton have undertaken studies and initiatives to promote industrial development. York publishes a quarterly survey of industrial properties to assist real estate agents in promoting investment.

### b) Work Sharing

Unemployment figures understate the true situation, because where one job is being shared by two workers, Statistics Canada does not consider either to be unemployed.

### c) Postal Rates

When Canada post increases rates, businesses which have presold paid subscriptions, etc., cannot pass these added costs on to their customers, and thus suffer a form of retroactive taxation.

### d) Buy Canadian Program

It was suggested that Canadian made products should bear stickers saying "Proudly Made in Canada" and that an advertising program would help Canadian producers.

e) Consulting Assistance

The AMTAP program whereby the federal government funds up to 75% of the cost of studies to enhance competitiveness through advanced manufacturing technologies was considered worthwhile.

10. Some Major Industries

a) Automotive

The automotive industry is Canada's largest manufacturer. In 1990, shipments were \$43.7 billion or 15% of all manufacturing, and employment was 166,000. Since January 1, 1990, 40 plants have been closed, and 12,000 jobs lost. Witnesses were concerned that further Canadian content, value-added and jobs will be lost under the FTA, and more so under the NAFTA. Witnesses testified that imports from Japan are now 30% of our market, and of how Japanese manufacturers in Canada circumvent the 50% North American content rule under the FTA.

b) Food Processing

Canada's food processing industry has annual sales of \$40 billion and employs 200,000. From January 1, 1989 through January 1, 1991, Ontario has lost 11,900 or 13% of its food processing jobs. A number of witnesses in agriculture and food processing testified that food processors were moving out of Canada in droves. They spoke of how Canadian grocers import more and more U.S. products, of how difficult it is for Canadians to get shelf space from large food retailers, and of how Canadian farmers are suffering. In some cases where Canadians are being driven out of business by imports, the chemical and other regulatory standards are often less stringent than those that apply to Canadian producers. Fear was expressed that more and more jobs and farms would be lost, and Canadians would become even more dependent on imported food.

c) Steel

From January 1, 1989 through January 1, 1991, Ontario steel jobs fell from 37,800 to 29,600, and the jobs of Algoma's 9,500 workers are in danger. Since January 1990, estimates are that 522,000 tons of Canadian steel production has been lost, with about two-thirds of it having gone to the U.S. Concerns involve the high dollar, which has cost a 20% decline in competitiveness; high interest rates which deter modernization and a suicidal price war with the nine major U.S. mills having lost a total of U.S.\$738 million in the first quarter of 1991. Future prospects are not good. One senior official testified: "The 1982 recession was a cakewalk compared to the nightmare of the last nine months; no offshore steel producer would choose to set up in Canada."

d) Printing

Printing industry shipments in 1990 totalled \$7.7 billion. Ontario accounted for \$3.4 billion and 78,000 jobs. There are 43,000 firms in Canada, and 95% have fewer than 100 employees. Most are Canadian-owned. The FTA, high interest rates and the high dollar present major challenges. From the fourth quarter of 1988 through the second quarter of 1990, the industry's trade deficit with the U.S. has grown from \$217 million to \$315 million. The industry needs, among other things, to consolidate to be competitive.

e) Residential Furniture

Canada's residential furniture manufacturing industry consists of 1,157 establishments, 94% with fewer than 100 employees. 34% of these establishments are in Ontario, which has lost 8,300 or 27% of its furniture jobs since free trade. Meanwhile, U.S. producers have increased their share of our market from 24% to 30%, increasing the industry's trade deficit with the U.S. by 35%. Problems cited were high interest rates, the high dollar, and rebates of only 8.1% for the 13.5% FST paid on inventory when the GST



was introduced. With only a five-year phase-in under the FTA, the industry does not have time, or the resources, to restructure, and seeks government loan guarantees.

f) Textiles

Canada's textile industry employs 193,000, or about 10% of all manufacturing workers. Since January 1, 1989, it has cut jobs in Ontario by 7,800 or 24%, mainly through major investments in modern equipment, and has increased exports from \$38 million to \$45 million. As the FTA eliminates tariffs with the U.S. by 1998, the industry is seeking reduced tariffs on textiles from other countries, and will continue efforts to modernize.

g) Pharmaceuticals

Half of Canada's 130 pharmaceutical manufacturing establishments are located in Ontario, and employ 13,900 workers, up from 12,300 in 1989, with a "value-added" contribution of \$122,000 per employee as calculated by Statistics Canada. Over the same period, Ontario exports have more than doubled to \$14.4 million. 85% of the industry's assets are foreign-owned. In Quebec, which has offered generous tax incentives, R&D is 18.6% of sales; in Ontario, it is only 9.7%, and continuing increases are necessary to keep Ontario competitive.

h) Footwear

Canada's footwear industry has suffered from the elimination of quotas in 1988, and is facing severe competition, particularly from Asia, and now also the U.S. because of the FTA. From 1984 through 1990, Canadian production has fallen from 45.5 to 30.8 million pairs. Since January 1, 1989, employment in Ontario has fallen from 7,400 to 3,600, and further losses are expected.

i) Trucking

Canadian truckers spoke of how Canadian trucking companies are moving to the United States where costs are about 20% less. They cannot compete from here because of the cost of fuel, equipment and repairs; capital cost allowances; and low wages in states where living costs are less. A host of licences were issued to U.S. truckers, many of whom make runs from the south into Canada without charging for the Canadian mileage. To make matters worse, Canadian authorities were said to be lax in enforcing our regulations, including cabotage, equipment compliance and log books against U.S. truckers.

j) Forestry

Ongoing research into biomass as a fuel appears worthwhile. With forestry being Canada's largest industry, ongoing research into all its aspects is critical to our economic future.

k) Nuclear Energy

Witnesses stated that the issues of safety, waste disposal, and the costs of decommissioning should be settled once and for all in order that Canada's nuclear industries can determine their strategies.





## **CONCLUSIONS**

1. Since January 1, 1989, Canada has lost 267,000 or 13 % of its manufacturing jobs. Many of them will not come back, even after the recession, because many plants and jobs have moved south, and with them, the hopes of many Canadians.
2. Canadians feel a deep sense of uncertainty, concern and despair about their economic future. They do not know where jobs for themselves or their children will come from, and many are considering moving to the United States.
3. In the past, abundant natural resources have given Canadians prosperity but they can no longer ensure the standard of living we take for granted. Without becoming globally competitive in the highly skilled, value-added manufacturing industries, Canada will continue to lose its best jobs to other countries.
4. The Conservative government's response to the new realities of globalization has been to reduce the role of government. The result is failure. Without a bold new sense of economic direction and without the federal government playing its unique and essential role in building a strong industrial base, a role it has not played to date, our decline and justifiable loss of hope will continue.
5. The federal government has shirked its responsibility for helping to build the knowledge infrastructure on which all competitive economies are based, namely human resources and innovation. Its cuts to education, training, retraining, science, technology and basic research, have taken from us the very tools we need to compete. The government even refused to accept the unanimous recommendations of the Standing Committee on Industry, Science and Technology, Regional and Northern Development in its report "Canada Must Compete".

6. The monetary policy of the federal government is a dismal failure. In its preoccupation with attempting to control inflation largely through high interest rates, it has driven up the level of the dollar and ignored the essentials of building a strong industrial and manufacturing base that can meet the challenges of productivity and global competitiveness.

7. The government's trade policy is, at best, a paradox. At the same time as granting free trade to the U.S., its policies have, in fact, prevented Canadians from competing. It has done nothing to reduce barriers within Canada and build our own economic strength. In its deal with the U.S., it ignored all advice and its own promises in refusing to bring in adjustment programs before implementation of free trade. Having implemented it, the government has burdened Canadians with a high interest rate - high dollar - high tax program that has created a made-in-Canada recession, tilted the "playing field" to the advantage of American producers, caused Canadian job losses, and made it impossible for Canadians to benefit from the FTA.

8. Canadians are no longer guaranteed good jobs and a rising standard of living. Corporations no longer have to locate in Canada, as globalization and trade liberalization mean that profits, not national loyalties, dictate locations. Workers cannot expect annual increases, even for the cost of living, if companies are not profitable. Employers cannot expect the co-operation of labour if they are not prepared to include them in corporate planning. Nor can business count on consumer loyalty.

9. Without the potential to be globally competitive, business cannot count on public support. Workers who are not the best educated, the best trained and the most productive cannot count on the highest paying jobs. Nor can any Canadian expect, in our rapidly changing world, to remain for a lifetime in just one job.

10. The federal government must take the lead in ensuring that all Canadians, be they from business, labour, education, finance, governments themselves, communities or consumers, work together with a sense of common purpose and co-operation, rather than through confrontation, to develop and bring about a new partnership for Canadian economic renewal.

11. As our ability to compete continues to fall, we will lose more manufacturing jobs and the service jobs that are dependent on them, and no new jobs will be created. As our ability to create wealth falls, so will our capacity to create the economic and social justice to which each Canadian should be entitled.

12. It will not be easy to stem the current loss of manufacturing jobs and reverse our declining international competitiveness. It will require major changes to current government policies and many new government initiatives. Most of all, it will require a government that is prepared to play the role of leadership and support for industry that only our national government can play. Such leadership and support are essential to Canada being globally competitive and creating the jobs we need.





## **RECOMMENDATIONS FOR ECONOMIC RENEWAL**

**The Liberal Task Force's recommendations for economic renewal call for:**

- **major changes in government policies;**
- **new economic initiatives by government; and**
- **a new and essential role for Canada's federal government, a role only it can play, in reversing our economic decline, supporting Canadian industry to be globally competitive, and building a new sense of common purpose and confidence among Canadians.**

Our recommendations touch a number of areas, including monetary policy, education, training, technology, innovation, trade and infrastructure, and the need for a new economic partnership among Canadians. They are not intended as a complete prescription for our economic problems, and detailed programs for each recommendation have yet to be developed. Our recommendations are hopefully, however, a constructive first step on the path to economic renewal.

The Task Force recognizes that a number of its recommendations require public expenditures. **Unless Canadians are prepared, however, to invest in our economic future, as other nations invest in theirs, our ability to compete and create jobs and wealth will continue to decline. Deficits will increase as tax revenues fall and support payments go up. In short, we have no choice but to invest in our future.**

### **New Approach to Monetary Policy**

1. The Liberal Task Force recommends that the federal government pursue policies to lower interest rates to not more than their historical spread with American rates, and to lower the level of the dollar. In the future, Canadian monetary policy must reflect, among other considerations, the need for Canadians to compete in the U.S. and elsewhere.

### **New Approach to Research, Technology and Innovation**

2. The Liberal Task Force recommends that the federal government reconsider its rejection of many of the unanimous, all party recommendations of the Standing Committee on Industry, Science and Technology, Regional and Northern Development in its December 1990 Report entitled "Canada Must Compete", including recommendations that the federal government:
  - a) set a national goal of achieving a level of Gross Expenditures on R & D equal to 2.5% of Gross Domestic Product by the year 2005;
  - b) restore funds cut from the Science Council of Canada's budget, and double over three years the budgets of NSERC, SSHRC and MRC;
  - c) expand the Networks of Centres of Excellence program;
  - d) maintain a primary role in those fields of basic research that cannot be maintained by the university community; and
  - e) use its procurement powers to promote Canadian industrial technology.



### **New Approach to Trade Policy**

3. The Liberal Task Force recommends that in advance of any new trade deals it may undertake, the federal government outline clearly its goals and objectives, and provide for retraining and adjustment assistance.
4. The Liberal Task Force recommends that the FTA subsidy negotiations be completed expeditiously.
5. The Liberal Task Force recommends that the FTA be renegotiated to deal with its many problems and weaknesses in serving Canada's interests, including: to permit the review of all takeovers of key Canadian businesses; and to ensure Canadian content and jobs for our automotive industry.
6. The Liberal Task Force recommends that the federal government monitor closely the Canadian content of all automobiles sold in North America with a view to increasing Canadian value-added and Canadian jobs.
7. The Liberal Task Force recommends that the federal government establish joint government/industry consortia to enhance the international marketing capabilities of small and medium-sized, high-value added industrial firms [Rec.21, Canada Must Compete].
8. The Liberal Task Force recommends that the federal government's foreign marketing efforts through External Affairs be continued and enhanced.
9. The Liberal Task Force recommends that the government work closely with Canadian industry to explore new investment and trading opportunities in the European Economic Community, the Pacific Rim and elsewhere.

10. The Liberal Task Force recommends that the federal, provincial and territorial governments institute free trade within Canada, including free mobility of goods, services, workers, professionals and capital, in accordance with a progressive and realistic timetable.

### **New Approach to Industrial Policy**

11. The Liberal Task Force recommends that the federal government bring together representatives of business, labour, education, finance, consumers, communities and governments to find ways to replace the confrontational relationships that so characterize our past, and to develop new approaches by which all partners can work together in a spirit of co-operation, collaboration and common purpose to build Canada's economic future for the rest of this century and beyond.

12. The Liberal Task Force recommends that management encourage the active participation of workers in developing and implementing strategies relating to productivity and competitiveness.

13. Recognizing problems of jurisdiction, the Liberal Task Force recommends that the federal, provincial and territorial governments collaborate to:

- a) systematically reduce and eliminate illiteracy in Canada;
- b) increase significantly the number of students of both sexes pursuing studies and careers in mathematics, science and engineering; and
- c) elevate significantly secondary school standards in language, science and mathematics with a possible view to national standards.

**14. The Liberal Task Force recommends that business, labour, educators and governments work together to:**

- a) develop curricula and certification standards for apprenticeships, with a possible view to national standards;**
- b) consider new approaches to funding skills training, including on the job skills training; and**
- c) establish more specialty schools teaching manufacturing productivity, automation, robotics and specialty skills.**

**15. The Liberal Task Force recommends that the federal government provide skills assessment and quality new skills training, particularly in areas of skills shortages in Canada, and ensure labour mobility throughout Canada to reduce the impact of layoffs or threatened job losses in vulnerable areas.**

**16. The Liberal Task Force recommends that all governments, when introducing new regulations, take into consideration, among other things, their impact on productivity, competitiveness, job creation and business investment.**

**17. The Liberal Task Force recommends that regulators work with industry in a spirit of co-operation and understanding to achieve compliance before resorting to adversarial means.**

**18. The Liberal Task Force recommends that the government be aware that Canada's communication and transportation infrastructure is critical to our competitiveness, and must be constantly upgraded to be world class.**

**19. The Liberal Task Force recommends a "Buy Canadian" program, including stickers saying "Proudly Made in Canada" and advertising**



**campaigns, recognizing at the same time, that Canadian producers must be competitive in quality, service and price.**

**20. To help meet the need for venture capital and for threshold Canadian companies in key sectors to expand globally, the Liberal Task Force recommends that the government and financial community explore the feasibility of, among other things:**

- a) extending nationally the example of Quebec's Caisse de Dépôt; or**
- b) facilitating investments of a small portion (1% or less) of the more than \$325 billion in Canadian tax-assisted pension and retirement plans.**

**21. The Liberal Task Force recommends that the government explore new ways of working with Canadian industry to increase productivity and competitiveness, including:**

- a) lease-to-purchase programs to facilitate modernization through new equipment acquisition;**
- b) technical assistance to small and medium-sized businesses to increase productivity and exports; and**
- c) means for our resource industries, in which Canada has a natural competitive advantage, to employ the latest global technologies, add value in Canada, and become exporters of technology and resource-related equipment.**

**22. The Liberal Task Force recommends that business consult with employees and governments well in advance of plant closures.**

**23. The Liberal Task Force recommends that governments help keep viable plants operating by assisting employee buy-outs and finding new partners.**

**In conclusion, the federal government must foster a new spirit of co-operation, collaboration and common purpose among all the partners in our economic future, including business, labour, education, finance, consumers, communities and governments themselves.**

**The federal government must bring to bear its own powers of monetary, fiscal, science, trade and industrial policy in support of industry and private-sector initiatives to ensure Canadian productivity and competitiveness.**

**Unless the federal government plays these unique and essential roles, roles which only it can play, Canada will not achieve its true potential for job creation and economic growth.**





**WITNESSES**

**HAWKESBURY**

Canadian Pacific Forest Product Research Ltd.

Ron Dines, former employee

Jack Histeard, former employee

City Hall

Lucien Berniquez, Reeve of Hawkesbury

Diane Pelletier, Economic Development Commissioner

Armand Brunet, Councillor

Nicole Desjardins, Councillor

**ALEXANDRIA**

Town Hall Meeting

Jean-Paul Touchette, Mayor of Alexandria

Janet Keusch, spokesperson for the Independent Truckers'

Spouses

Rita Menard, spokesperson for the laid off workers at

Brown Shoes

**AYLMER**

Town Hall Meeting

Tony Hermans, mushroom producer

Carl Nutley, owner of Aylmer Toolcraft

John Hueston, Publisher of the Aylmer Express

Glen White, steel building manufacturer

**WELLAND**

UCar Canada Ltd.

Lionel Hardy, Plant Manager

Dan Radabenko, United Electrical Workers

Gary Cook, United Electrical Workers

Charlie Frye, United Electrical Workers

**ST. THOMAS**

J.H. Fowler Ltd.

David Fowler, President

Town Hall Meeting

Klaus Upstia, former employee, Thompson Trucking

Sam Boborski, former employee, Thompson Trucking

Jim Nugent, Union Representative for laid off workers at United Technologies  
Cliffe Somerville, Small Businessperson

## LONDON

General Motors Diesel  
William W. Peel, General Director  
William J. Kienapple, Director of Defence Operations

## WINDSOR

Round Table Meeting  
Joe Ouellette, Chairman of the Windsor Task Force on Cross-Border Shopping  
Ed Reagan, Re-Doe Mold Co. Ltd.  
David Sellick, Forklift manufacturer  
Mark Jacques, General Manager, The Windsor Chamber of Commerce  
Gerald Freed, Freed Ltd., men's clothing retailer  
Sergio Grando, Windsor Tourist Bureau Convention  
Mary Penfold, construction industry representative  
Jim Glasier, Development Officer, Windsor-Essex County Development Commission  
Ed Bernard, Bernard Mold  
David Cree, Windsor Harbour Commission  
Bill Marshall, Prosperity 2000  
Paul Bondy, Development Officer, Windsor-Essex County Development Commission

Meeting at Local 195, Canadian Auto Workers  
Gary Parent, President of Windsor and District Labour Council  
Nick Dzusz, President, Local 1973 (General Motors)  
Nick LaPosta, Windsor and District Labour Council  
Ken Maheu, President, Local 195 (Independent Parts Plants)  
Bob Nesbitt, Financial Secretary, Local 1973 (General Motors)

## TILBURY

Council Chambers  
Charles Garrick, Mayor of Tilbury  
Rick Cowan, President, Essex County Federation of Agriculture  
Wayne Dawson, Plant Manager, Hunt Wesson  
  
Peter Hack, former Agriculture Manager, Hunt Wesson  
Scott McGeachy, President, Kent County Federation of Agriculture

Vern Towes, Primera Foods Inc.  
Joe Damo, farmer  
Dan Diemer, dairy farmer

## **SOUTH-WESTERN ONTARIO**

Autoparts manufacturer

## **CHATHAM**

Council Chambers

August Sunnen, President, Guspro Inc.  
Paul Sunnen, former President of the Chatham Chamber of  
Commerce  
Gary O'Flynn, Mayor of Wallaceburg  
Rene Adams, Economic Development Officer, Wallaceburg  
Ken Cadotte, Vice President, H.E. Vamatter Ltd.  
Dennis Burgess, President, Burgess Machinery

## **REECES CORNERS**

Ranch House Restaurant

Jack Lystrum, Trucker  
Garry Williams, T.F. Transport  
Bob Wallace, Trucker  
Tracy Presley, Trucker  
Ernie Rutledge, Trucker  
Don Lightfoot, President, Lightfoot Transport  
Bill Stratucus, Trucker  
Jack Dunlop, President, Dunlop Transport  
Floyd Oakes, Trucker  
Cam Pavlucci, Trucker  
Paul Piffard, owner of the Electronic Warehouse in  
Petrolia  
Jack Kerrigan, Reeve of Plympton Township  
Jean Dunlop, Merchant  
Dave Hewett, School Teacher, former Mayor of Petrolia  
Dave Smith, Merchant  
Stan Stefanik, Representative, Lambton Federation of  
Agriculture

## **TORONTO**

IBM

Pete Gorrell, Director of Public Affairs  
Grant Murray, Vice-President, Corporate Relations  
Collin Parker, Plant Manager

City of York

Fergie Brown, Mayor of York  
Ken Riseborough, Director of Property, Parking and  
Economic Development, City of York  
Bill Steiss, Manager of Business Development, City of  
York  
Frances Nunziata, Alderman  
Bill Saundercook, Alderman

Mimo Sacs Fashion Handbags Ltd.

Mimo Artisian, founder and owner of Mimo Sacs shoe  
manufacturer

**PORT PERRY**

Johnson Controls

Howard Hall, Mayor of Port Perry  
Anne Jones, former employee, Johnson Controls  
Keith Hazelwood, former employee, Johnson Controls  
Charlotte Hallis, former employee, Johnson Controls  
Ken Carruthers, Port Perry Chamber of Commerce  
Doug Wilson, real estate developer  
Colin Kemp, Taxpayers' Coalition, Scugog

**PETERBOROUGH**

Fleming Centre for Manufacturing Studies

Dick Munshaw, Administrator, Applied Science Department  
Ron Jones, Acting Director  
Don Flanagan, Dean of Technology and Law

Miltronics

Bob Hunter, International Marketing Director  
Bill Cole, Controller

**STRATFORD**

Hanson-Mohawk Inc.

Fernando Pereira, Plant Manager

Square D Company Canada Ltd.

Bob Dixon, Canadian Auto Workers representative

City of Stratford

Larry Appel, Director of Economic Development, Stratford



## **WATERLOO**

Raytheon Canada Ltd.  
John Stewart, President

## **KITCHENER**

Automation Tooling Systems Inc.  
Klaus Woerner, President

Chicopee Manufacturing Ltd.  
Betty Sims, President

## **OTTAWA**

Public Hearings, House of Commons

Wayne Levin, Professional Industrial Engineer

Dr. William Pugsley, Professor of Management

Hon. Judy Erola, President, Pharmaceutical Manufacturers  
Association of Canada

Robert LaPointe, Pharmaceutical Manufacturers  
Association of Canada

Dean Wilson, President, Automotive Industries Association  
of Canada

Dan Romanko, Executive Director, Canadian Steel Producers  
Association

Laurent Thibault, President, Canadian Manufacturers'  
Association

Doug Montgomery, Vice-President Government Affairs,  
Canadian Manufacturers' Association

Robert Diguier, Executive Vice-President, Canadian Council  
of Furniture Manufacturers

Raymond Cope, President, Ontario Trucking Association

David Bradley, Vice-President, Ontario Trucking  
Association

Peter Baird, Chairman, Ontario Trucking Association

Eric Barry, President, Canadian Textiles Institute

Elizabeth Siwicki, Vice-President, Trade Policy, Canadian  
Textiles Institute

## **BRADFORD**

Bradford Public Library

Bruce Owen, former M.P.P., Simcoe Centre

Bob Featherstonhaugh, Mayor of East Gwillimbury

Paul Mainprize, Councillor for East Gwillimbury

Frank Kelly, Councillor for East Gwillimbury

Margaret Britnell, Mayor of King Township



Bob Scott, York Region Councillor for Newmarket  
Bruce Janes, community leader, Mount Albert  
Barry Rogers, farmer

## **CHALK RIVER**

Atomic Energy of Canada Ltd.  
Frank Finlay, Communications Specialist  
Louis Freedman, Public Affairs Assistant  
J.M. (Greg) Mark, Manager NRU  
Barrie Greiner, Tascc Accelerator and Development  
Mike Wright, Vice-President, Operations  
Peter Harvey, Vice-President, Human Resources

## **PETAWAWA**

National Forestry Institute  
Boyd Case, Director General  
Dave Lemkay, Manager, Regional Communications  
Jeff Monty, Acting Program Director for Technical  
Transfer Operations  
Dr. Gordon Murray, Deputy Director General

## **HAMILTON**

Dofasco Inc.  
John Mayberry, President, Dofasco-Hamilton Plant  
Peter Earle, Director of Communications and Public  
Affairs  
Norm Lockington, Manager-Environmental  
John Armstrong, Manager-Tariffs and Trade

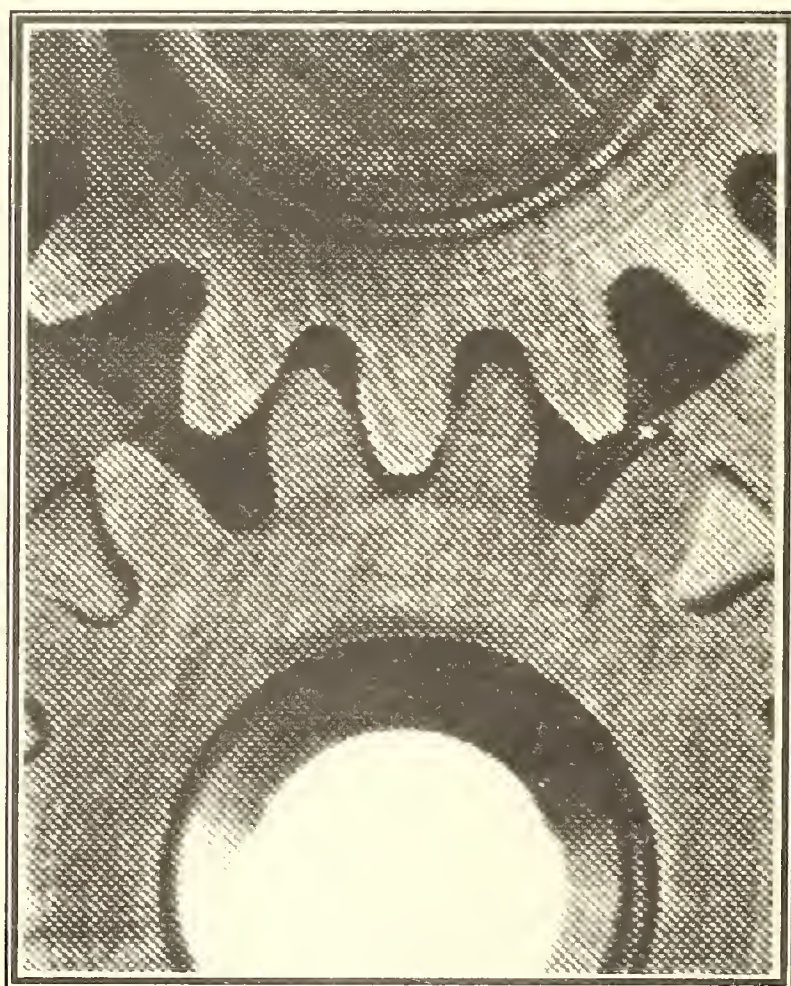
### **City Council**

Robert Morrow, Mayor of Hamilton  
Geraldine Copps, Councillor  
Don Drury, Councillor  
John Gallagher, Councillor  
Brian Hinkley, Councillor  
Tom Jackson, Councillor  
Dominic Agostino, Councillor  
Fred Lombardo, Councillor  
Mary Kiss, Councillor

**BRIEFS**

Automotive Industries Association of Canada  
Canadian Council of Furniture Manufacturers  
Canadian Exporters Association  
Canadian Labour Congress  
Canadian Manufacturers Association  
Canadian Printing Industries Association  
Canadian Sheet Steel Building Institute  
Canadian Steel Producers Association  
Canadian Textiles Institute  
Information Technology Association of Canada  
Ontario Trucking Association  
Pharmaceutical Manufacturers Association of Canada  
Rubber Association of Canada  
Trust Companies Association of Canada

**REPORT OF  
THE FEDERAL LIBERAL TASK FORCE  
ON  
DE-INDUSTRIALIZATION  
AND  
ECONOMIC RENEWAL  
(ONTARIO)**



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**CHAired BY:  
JIM PETERSON, M.P.  
LIBERAL INDUSTRY CRITIC**

**JULY 1991**